



**PRESS RELEASE
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Opcon continues business refinement – begins sale of Engine Efficiency business area

In order to increase the focus on its core business within energy and environmental technology, Opcon has assigned KPMG Corporate Finance to begin the sale of Opcon's Engine Efficiency business area, with the subsidiaries, SEM AB in Åmål and Opcon Technology Suzhou Co. Ltd in China.

“This means a further refinement of our activities and is another step in increasing our focus on our core business within energy and environmental technology, while strengthening the company financially as well. With high and rising energy prices together with political moves such as the German government's decision to close down its nuclear power production, we see great opportunities for growth going forward. This applies both for bioenergy and for waste heat recovery, including Opcon Powerbox, where we are now looking at possibilities for moving into higher gear in markets such as China. Selling the business area also gives us the financial strength to pursue the opportunities we have identified with our own resources,” says Rolf Hasselström, President and CEO of Opcon AB.

The Engine Efficiency business area currently has around 220 employees and had sales turnover of SEK 188.6 million in 2010 with an operating profit of SEK 15.7 million, which was a strong improvement on results in 2009 when sales turnover for comparable units amounted to SEK 137.2 million and the business made a loss. Sales turnover in 2011 is expected to continue to increase strongly while the operating margin improves. At the start of the year, sales turnover and operating profit were in line with budget or slightly above. The increase in sales turnover has been around 30% during the beginning of the year, while profitability has remained good. From 2012 and onwards, sales turnover is expected to continue to increase although at a lower rate.

“Our Engine Efficiency business area is a very well-managed, profitable and technically advanced business with an impressive list of customers. We know that this business is of great interest to other parties. Synergies with other activities within Opcon are however rather small, which means that the business can be valued much more highly by others than we currently value it,” says Rolf Hasselström, President and CEO of Opcon.

Engine Efficiency works primarily with energy-effective solenoid technology and ignition systems for combustion engines, including ethanol, natural gas and biogas engines.

“A sale will also mean that we cut the number of business locations within the Group. We expect that this will enable further savings at Group level,” says Rolf Hasselström, President and CEO of Opcon.

Opcon's focus will be on its core business within energy and environmental technology, the current Renewable Energy business area which will be split into the Waste Heat Recovery and Bioenergy business units. Meanwhile, an integration has begun of primarily administration and management functions at business area and Group level aimed at increasing efficiency. This will mean that the post of business area manager will disappear. Per Hedeback, who is head of the Renewable Energy business area, will continue in that role until 1 October. He will have responsibility for concluding the savings and restructuring programme that has started within the business area. These savings on an annual basis will exceed the SEK 35-40 million in 2012 that Opcon has previously announced, including new initiatives.

“We are forming a sharper Opcon with greater focus. The sale also means that we reduce the number of business sites for the Group and can increase synergies within administration and management which will enable further savings at Group level,” says Rolf Hasselström, President and CEO of Opcon.

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The Opcon Group

Opcon is an energy and environmental technology Group that develops, produces and markets systems and products for eco-friendly, efficient and resource-effective use of energy.

Opcon has activities in Sweden, China, Germany and the UK. There are around 400 employees. The company's shares are listed on Nasdaq OMX Stockholm. The Group comprises two business areas:

Renewable Energy focuses on the following areas: electricity generation based on waste heat, bioenergy-powered heating and CHP plants, pellets plants, drying of biomass, handling systems for biomass, sludge and natural gas, industrial cooling, flue gas condensation, treatment of flue gases, air systems for fuel cells and measurement and monitoring of processes.

Engine Efficiency focuses on energy-efficient solenoid technology and ignition systems for combustion engines including ethanol, natural gas and biogas engines.

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